GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3327
ANSWERED ON:22.12.2008
PROMOTION OF SEMI CONDUCTOR TECHNOLOGY
Rao Shri Kavuru Samba Siva;Reddy Shri Magunta Sreenivasulu

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has offered incentives to Indian Information Technology Companies to set up Semi-Conductor fabs and eco-system units for promotion of Semi-Conductor Technology in the country;

(b) if so,the details of proposals received alongwith the current status of the said proposals;

(c) whether some States including Andhra Pradesh have offered land for setting up these facilities;

(d) if so, the details thereof and the reaction of the Government thereto; and

(e) the additional financial and other incentives offered by the Government to protect and promote Indian Information Technology Companies?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to (d): To encourage investments for setting up Semiconductor Fabrication and other micro and nano technology manufacturing industries in India,Special Incentive Package Scheme (SIPS) was announced by the Government on 21st March, 2007.The scheme is open up to 31st March,2010.Till date 17 proposals in all,have been received under the Scheme. The applicants are in the process of submitting required information sought by the Government.

A few applicants have acquired land, a few are in the process of being allotted and the rest are yet to decide on the location.The applicants are interacting with various states including Andhra Pradesh for land allotment.

(e): Central Government or any of its agencies can provide incentive of 20% of the capital expenditure during the first 10 years for the units in Special Economic Zone (SEZ) and 25% of the capital expenditure for non-SEZ units. Non-SEZ units shall be exempt from Counter Veiling Duty (CVD). Units may claim incentives in form of capital subsidy and/or equity as per provisions mentioned in the gazette notification dated 21/3/2007 for SIPS.

Information Technology Companies-Software Technology Parks Units are provided with the benefits of Income tax exemption under section 10A &10B of the Income Tax Act.